REMARKS BY DUKE UNIVERSITY PRESIDENT NANNERL O. KEOHANE

TAIPEI ALUMNI RECEPTION

(As prepared for delivery)

May 31, 1998

I. GREETINGS

Hmm koi! Thank you very much.

Thank you, Andrew, for your kind words and warm welcome. Duke is grateful for Dr. Huang's leadership in making the university's presence felt in Taipei and, indeed, Taiwan.

It's exciting to be here in this great city. As much as I hate to leave Duke's beautiful campus this time of year, it's great to be here. I'm having fun.

Part of the fun of being Duke's president is sharing in the demonstrations of loyalty and affection that are so much a part of alumni/ae gatherings, wherever they occur. This is one such occasion, and a very special one. It is part of a 17-day tour to spread the good word about Duke here, in Hong Kong, and Japan. Two Duke colleagues, Bob Shepard and Bob Booth, are traveling with me.

Today, I want to talk about why we are here and how our reasons relate to what we call the "internationalization" of Duke University. Then I will share news of recent events on campus before turning to you for any questions you may have.

II. THE TOUR AND ESSENTIAL GOALS

This is my first trip to Asia as president (although certainly not the last) and we're trying to pack as much activity -- speeches, media work, calls upon government, education, and corporate leaders. I'm making four major addresses: In Hong Kong, at the Asia Society, following Paul Volker and Henry Kissinger, among others; in Taiwan at the Academic Sinica as part of a televised press conference on higher education; and in Tokyo to help the American Chamber of Commerce of Japan celebrate its 50th anniversary and to speak to the Foreign Correspondents Club.

We have two principal goals as we travel in a region that has growing economic and political influence in our increasingly global society:

1) One purpose is to strengthen our alumni base and organization. Speaking to you and to Duke alumni, parents and friends in Hong Kong and Tokyo is part of that effort. We want to help you build an active and successful club here and bring Duke to you. We want to encourage you and roughly 600 fellow alumni and parents to celebrate and cement your ties to Duke. You can justly take pride in your university. A first small step, says my colleague Mr. Booth, is to ask you to leave your business card in the collection basket as you leave. That's a "nuts and bolts" part of organizing, he points out.

We do have a base to build upon, as we see by your presence, but also there is a history of ties between Duke and Asia. About 10 percent of our 11,000 students are from Asian countries: 180 are Chinese. Some 250, or 30 percent, of our graduate students are Asian. Sixty-three of our students, 17 of them undergraduates, are from Hong Kong. That level of representation is growing, but its origins extend back before Trinity College was renamed Duke University.

Trinity College, which in 1924 eventually became Duke, admitted its first international student in 1880. Yao-ju Soong (Yow-Jew Soong), studied for a year before returning to China, first as a missionary and then as a businessman. He achieved many distinctions: among them was fathering two extraordinary daughters who, through their marriages to Sun Yat-sen and Chiang Kai-shek, became firsthand players in dramatic events in modern Chinese history. And in 1930, alumni formed the first Duke club outside the United States -- in Tokyo.

2) Our second goal is to develop new and promising relationships with corporations, universities, and government agencies. We have many ties now -- from faculty and student study and exchange programs to the highly successful Global Executive MBA at the Fugua School of Business.

On the business side, for example, U.S. Ambassador Thomas Foley is hosting a lunch meeting in Tokyo to introduce me to heads of Japanese firms doing business in North Carolina -- companies like Hitachi Metals, Mitsubishi Electric, and Konica.

On the government side, I'm scheduled to meet with President Teng-Hui Lee (Dung-Way-Lee) and I've met with Anson Chan (Ann-Sun-Chan), chief secretary for administration in Hong Kong.

On the media side, I am doing five appearances and interviews with the Asian Wall Street Journal and other print and electronic media.

I am very excited by this marvelous opportunity to enhance Duke's reputation.

III. THE IMPETUS TO INTERNATIONALIZING DUKE

We are all aware of the increasing interconnectedness of our world. It has been such a salient feature of the past few decades.

Technology: it is often easier to reach a friend or colleague over e-mail or by FAX through cyberspace many continents away than it is to arrange to have tea with a colleague in the office next door, and the world wide web is changing the way we all think about communication.

The media: the shared perspectives on the world that come from increasing access to the same news reports, instantaneously transmitted, and from the fact that we all watch many of the same movies, even some of the same tv shows.

Business: the amazing interconnectedness of our business world, with multinational enterprises burgeoning, more and more corporations locating their R&D and manufacturing plants around the world, thinking of their markets increasingly in global terms.

All these factors and many more specific ones have combined to shrink our geographies and breach our borders, at least in the metaphorical sense. How do we educate our students effectively to be leaders in such a global world?

Those who thrive in the new international environment will be those who see clearly that they are no longer merely citizens of an individual nation. They will be sensitive to the fact that they live in a complex, interdependent world. This realization, along with a knowledge of other languages, is critical to students' personal and professional development and to their capacity to fulfill their responsibilities. Students graduating now and in the future will spend much more of their working lives among people from very different backgrounds.

Our graduates need to be supple in dealing with international colleagues and a global workforce in order to succeed in more direct terms as well. Competition in the global economy is increasingly fierce, and to compete effectively, you have to know your competition and assess your strategic chances shrewdly.

A colleague of mine tells a story about two men out hiking in the woods when, suddenly, they realize that an angry and very large grizzly bear is about to attack them.

One man takes off his back pack and tightens his shoelaces.

"What are you doing?" says the other guy. "You can't outrun a bear."

"I don't have to outrun the bear," replies the first man. "I just have to outrun you."

In other words, most of us would agree, we need to be out in front of the competition, whether in commerce or in education.

IV. DUKE IS INTERNATIONALIZING

What are we doing at Duke to prepare our graduates in every school for an increasingly diverse

world economy? We are capitalizing upon the entrepreneurial and innovative spirit of our faculty. We are responding to what our students tell us they need to know, particularly when they come to us for professional or mid-career education. We are putting more stress on the study of foreign languages and have recast our undergraduate curriculum to help give all our graduates competence in writing and exposure to math and science. We intend to be a world leader in higher education in the new millennium.

Beyond the stimulus of competition, epitomized by the story of the bear, we are excited by the intellectual possibilities of new and promising relationships with others around the globe. Internationalization is, in fact, one of our five strategic themes as we plan for the future and make daily decisions. We are working hard to promote international developments on campus and cooperative arrangements off-campus with institutions, corporations, and governments. Such relationships are especially important in connection with the Duke University Medical Center and our various schools

Let me give you just a few examples of the steps we have taken to build a more international curriculum and provide support for faculty research in international concerns.

- * A faculty initiative called the "Oceans Connect" project to study the ways that ocean basins connect people rather than on the ways national borders divide them. Funded by the Ford Foundation, the project is formally titled "Oceans Connect: Culture, Capital, and Commodity Flows Across Basins." The oceans have been a powerful force in transplanting and interchanging diverse cultures. This was true from the time the Mediterranean Sea was the center of the civilized world and all transport and trade focused upon it, through the Atlantic ties of Europe and the east coast of the Americas. In contemporary American scholarship, the focus has been largely on the Pacific rim, because of the area's burgeoning growth into global prominence. We at Duke are ready for a focused, comparative look at ocean-centered communities. This will supplement the ongoing work of faculty and students who specialize in area studies. It also will better enable our students to understand the connections between areas of the world.* A new Master's program in Asian Studies, approved by the faculty this spring, developed primarily for young professionals who expect to work in Asia and in multinational companies.
- * Asian/Pacific Studies Institute at Duke supports and coordinates academic work in Pacific rim Asian cultures and societies by scholars and students at Duke and elsewhere in the American Southeast Region. It brings visiting scholars and speakers to campus and supports faculty and student work abroad. Duke students participate in the Institute's six-month program in Beijing and Nanjing and in other programs. The Institute's library computer catalogs, in their original languages -- Chinese, Japanese and Korean works.
- * The law and business schools have created the "Global Capital Markets Center" to study critical

issues in capital markets, which as we know are both a vehicle for economic growth and potential threats to economic and political stability across the world.

* The Fuqua School of Business has bolstered its international outreach with programs beyond GEMBA, which is the most widely heralded example of Duke's leadership. Created in 1996, GEMBA graduated its first class this year -- 80 plus students from 23 countries. Other international initiatives already in place include: Global Academic Travel Experience (GATE), a program of overseas study tours in the full-time MBA program; and customized executive education programs delivered worldwide for companies such as Deutsche Bank, Glaxo Wellcome Inc., Ford Motor Co. and Siemens Corp.

V. DUKE HEADLINES: AN UPDATE ON CAMPUS EVENTS

Turning now to what's going on at Duke, I will offer a series of headlines to help you get a sense of what an extraordinarily active place Duke is. If you feel nostalgic at times, don't feel badly: anyone can feel nostalgic about Duke.

* Residential Life Improved

Sustained attention has brought several improvements in the quality of residential life over the past several years. This is most noticeable on East Campus, in the experience of first-year students, which was our first focus. Administrators and students are now working together to review the larger residential system. They spent the past nine months asking what has worked well, and what less well, which aspects need attention and what priority we should assign to initiatives for further improvements. Now we are moving to look at the groups recommendations, considering, with the help of the Board of Trustees, whether we need a new dormitory on West Campus and, if so, how to pay for it. Meanwhile, a new \$22 million recreational facility is under construction on West Campus. It's part of several projects to substantially increase and improve these facilities for all students. The work on East Campus, with the new Brodie Center and new playing fields, already is complete.

* Great Teacher/Scholars Honored

Several months ago we named two faculty members to new endowed professorships. These are extraordinary teachers and scholars. We will be naming more to this honor. It's part of an effort to strengthen undergraduate education, and the interrelationship between outstanding teaching and research. We are grateful for the \$10 million challenge -- toward a \$40 million initiative -- from Anne and Bob Bass, Duke parents, who are making this possible. I am delighted that a recent Carnegie Commission report, while critical of research universities for paying too little attention to undergraduates, praised Duke's efforts, particularly our FOCUS program for new students.

* Discoveries Announced

The fruits of research are apparent at Duke, where significant basic, medical and applied research activity is part of daily intellectual life. Duke researchers helped governments and agencies worldwide learn how to remove landmines from war-torn areas; how to lessen the negative impact of logging in rainforests; how human speech developed much earlier than first thought, and perhaps as early as 300,000 years ago. They helped rebuild immune systems to help fight AIDS, how the human brain "wires" itself, and why birds sing the songs they sing.

* Rankings Rise

Duke's #3 finish in U.S. News & World Report's "best universities" has mightily pleased alumni I've talked to. It is true, however, that magazines are in the business of selling magazines, and, as one cynical administrator put it, "movement in the rankings moves magazines." I don't put much stock in such rankings generally, and Duke's ranking shall always vary from year to year. Still, like our alumni, I am glad that Duke's quality is getting the attention it deserves -- and for law, business and medical education as well as for our undergraduate program. But it is gratifying to know that Duke's top-five placements suggest that the quality of our undergraduate and medical programs is increasingly well-recognized. Moreover, a growing number of our graduate and professional programs are in the top ten, including the Fuqua School of Business and the School of Law.

* 2002 Tops

You may have read in the alumni magazine about our freshman class -- the Class of 2001 -- that is, statistically speaking, the strongest in Duke history: best standardized test scores; half male, half female; truly multicultural and extraordinarily talented. I'm happy to tell you that the Class of 2002 is even stronger -- chosen from 14,000 applicants and posting another surge in the SAT scores.

* Duke Awards Aid to Some, Tuition Subsidies to All

And to compete for America's best students, we kept our pledge to be accessible to all applicants, regardless of their financial circumstances. This is true despite the fact that our growing need for financial aid funds puts serious pressure on the College of Arts & Sciences budget. Financial aid to undergraduates alone cost us over \$1 million more than we had expected and totaled. Our total financial aid allocation this year is \$54.9 million.

Let me stress here the importance of financial support from the university to all students. Each and every Duke student receives an education whose cost is estimated at \$11,000 more than the student pays. Think of the difference between cost and price as an implicit scholarship. The difference is made up by gifts from alumni and friends and income from the endowment.

I was delighted to announce on April 2 that The Duke Endowment has pledged \$30 million over the next five years to increase endowment funds restricted for financial aid.

* Budget Balanced

We balanced the budget for the 16th consecutive year despite growing costs in key areas such as financial aid for students and information technology -- which required an invest of \$15 million in desktop computer equipment alone this year. And my colleagues operated our world-class hospital in the black, which is quite an achievement in these uncertain days of the managed care revolution in the United States.

* No. 1 in Spirit

A survey of university students by a college admissions guide ranked Dukies #1 in turning out to support their athletic teams, especially basketball; and a school just down the road from us was named #2. That should be no surprise to us or to anyone who watches college basketball, not only those who watched the NCAA tournament, but also those who saw our women's team take its first ACC regular season championship the day before Coach K's squad shocked the Tar Heels and electrified Cameron, while also finishing first for the season in the ACC.

* AND NOW, what surely would have been the lead story...

Let me close this quick scan of the headlines with some comments on what surely was lead story for the year. That was a national event, televised live state-wide April 22. It was somber but joyous and filled with good humor -- and it brought thousands of people to campus for easily the most extraordinary tribute to a Duke person in university history. The event was the funeral service for Terry Sanford, Duke's sixth president and North Carolina's best loved governor and senator, who was laid to rest in a crypt in Duke Chapel.

More than anyone else Terry Sanford built Duke's national reputation. He and the talented associates he assembled strengthened the faculty, built buildings, and created programs like the Fuqua School of Business and what is now the Sanford Institute in Public Policy. He opened the university to broader participation by students. He was close to students, and they to him. He always said that the students were the whole point of the institution. Not surprising, a great many alumni returned to campus to honor him. We are all better and stronger and more optimistic about the future because of the lasting legacies of Terry Sanford's life and leadership.

VI. The Real News: The Verities Prevail

Those are some of the Duke headlines, so to speak. To continue the analogy -- but what is the real news at Duke? To put it as a paradox, the news is, there is no news. Let me explain.

This year, just like always, Duke's goals can be stated simply:

" ... to give our students the best possible educational experience, give our faculty the means to do their best possible teaching, research and scholarship, give our patients the best possible health care, and give of ourselves in service to the society that looks to higher education to prepare the leaders of tomorrow."

Of course, this is easy to say. The trick is to deliver the goods every year. One of my favorite quotes about Duke is pertinent here. It's from an essay by William Preston Few, who was president

from 1910 to 1940. It was Few who took the materials he had inherited from his predecessors, mixed in a fraction of James Buchanan Duke's considerable fortune, and proceeded to found Duke University.

"Here stand side by side science and religion," Few said, "science and scholarship completely given to the full, untrammeled pursuit of the truth and religion with its burning passion for righteousness in the world -- and commit the University in its very inception alike to excellence that dwells high among the rocks and to service that goes out to the lowliest."

Now that's vision-setting with a vengeance. And look what it has led to. I think Duke is remarkable for its commitment to institutional balance as it has grown in size, reputation and reach. Extraordinary research is done by faculty who balance their commitments well enough to be notable teachers, often managing to be mentors and friends to their students. Duke is a major research university with a collegiate atmosphere, in part because Duke has held its student body size to a fraction of that of most of its peers. Duke is a power in intercollegiate sports but not at the expense of educational quality, which I see as an all-too-rare pairing of academic and athletic prowess.

VII. Strategic Themes

In the future, if we enhance as well as sustain Duke's distinctions and distinctive balances, Duke will lead the way in defining, for years to come, what is meant by true educational excellence.

As you might imagine, the questions involved in leading the way, while preserving Duke's real distinctiveness, are very much with me and my colleagues in the faculty and administration. We have set forth our best response to these questions in a strategic plan called "Shaping Our Future." A complex and decentralized institution must have priorities if it is to wisely allocate scarce resources, while maximizing those elements of our work and character that are most distinctively Duke.

- * Enhance academic quality.
- * Strengthen Duke's sense of community and its role as a citizen.
- * Enhance academic medicine.
- * Increase academic and administrative effectiveness.
- * Secure our financial future.

These are our guides as we recruit and promote faculty, as we consider which programs will get additional support, or less, and as we look very hard at administrative expenditures in order to put more money into teaching and research -- students and faculty -- where it belongs. I must tell you that I begrudge every dollar that goes into administration, and am pleased that in each of the past

few years, more than \$1 million has been saved through efficiencies and reengineering of our administrative function for investment in strengthening and supporting our academic programs.

VIII. Aspirations and Resources

If it's true that we all want more than we can afford, it must be doubly true for universities. Our aspirations to do more and better can reach what Senator Terry Sanford called an "outrageous" level, but mostly that's because our faculty do in fact see better ways to teach, do research, and heal.

My colleagues and I are working hard to keep our aspirations to an appropriately ambitious level. At the same time, we are planning for a comprehensive fund-raising campaign.

We are most of the way through the process of setting priorities for this campaign. Those priorities are guided, of course, by our strategic academic themes and priorities. They are being shaped in close collaboration with faculty, students, alumni and friends, including, of course, the Board of Trustees and a steering committee. We are fleshing out our planning, working to identify current strengths and to imagine and to articulate those new initiatives, programs, and facilities that are most likely to enhance undergraduate teaching, outstanding research, medical care delivery, and every other activity of the university.

A principal objective is, and must be, to protect the essence of Duke in a changing environment while never losing sight of our obligation to lead -- to be a leader in higher education and medicine, in North Carolina, in the Southeast, nationally and internationally.

We will get help from many, many people who know and love Duke University, and from others who will come to know it.

VIII. CLOSING

Thank you for welcoming me to Taipei.

Before I take questions, I want to pause a few moments to honor Taipei's "Mr. Duke," who has been a member of Duke's medical staff since 1969. Yesterday I toured Andrew's new Sun Yat Sen Cancer Center. That Center is additional proof that Andrew works hard, is devoted to patients, and keeps his commitments.

Now, I would be happy to take any questions you might have for me.

Comments? Suggestions? Contact the Webmaster.

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Duke University Home Page